

File Zako

ZAKO

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VIA: AIR
(SPECIFY AIR OR SEA ROUTE)

DISPATCH NO. WFF-W-6212

SECRET

CLASSIFICATION

DATE 15 August 1951

TO []

FROM : Chief, FFW

DESENSITIZED
WFOK

SUBJECT: GENERAL- Operational

SPECIFIC- [] [] Proposals

References: [] 9095, 9237; WASH 01864, and SODB 29657 - "Magyar Harcosok
Bajtársi Közönsege (League of Hungarian Veterans) - dated
11 October 1950.

1. [] proposals for joint exploitation of their MHBK operation into Hungary is a development of considerable interest. Headquarters appreciates the present opportunity of exchanging views with the French on Hungarian operations.

2. For the foreseeable future, field and headquarters personnel will be absorbed in heavy commitments for extending our own operations into Hungary; these are the heart of our Hungarian effort and naturally take precedence over any cooperative arrangements with other services. Thus the question of how joint operations with [] could be implemented must be deferred until practical proposals can be assessed and fitted into our present capabilities.

3. Initial negotiations with [] should be continued by [] in line with headquarters briefing during his recent stay here. Points discussed with him are outlined below. WASH 01864 and SODB 29657, a copy of which was sent to the [] October 1950, will provide further background material.

4. The conclusion reached after an extensive analysis of the MHBK both at headquarters and in the field is that, as a group, it now has little or nothing to offer either for resistance or espionage activities.

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9. The choice of the MHBK as the first subject for discussion with [] is unfortunate as it necessarily calls for a negative reaction on our part. [] should be informed, however, that we do not want to close the door entirely on the MHBK; we are fully prepared to revise our views in the light of more favorable information which may be available to []. Before discussing the matter further, therefore, and certainly before a meeting with ZAKO is arranged, we would welcome an opportunity to examine [] records on the MHBK. Of particular interest would be:

a. Reports on MHBK members arrested during or since 1949 as HIS double agents.

b. The same information on the murder of Attila KOVACS and other cases covering MHBK security, with the effects of each on ZAKO's operations.

c. Specific details on networks still in operation or planned.

d. Direct dissemination of all MHBK reports, with specific sources labeled and cross-referenced to "c" above to permit a better evaluation of present production.

e. Details of MHBK collaboration with other governments on intelligence or political matters.

f. A detailed breakdown, if available, of the various outlets through which the MHBK disseminates its reports to other persons or agencies.

g. An explanation of the sources of MHBK income, showing amounts and percentage of total income from each.

h. [] experience with, and ZAKO's relation to, the Hungarian Guards Company in Innsbruck.

10. We are ready to reciprocate on all subjects above with information now on record here. As we pointed out in WASH 01864 there is only one important exception: We do not wish to advise the French prematurely of our plans to get at least a sizable proportion of MHBK manpower under our direct control in a labor or guard company in U.S.-occupied territory.

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11. Should [] and [] feel that they need help in their negotiations with [] on Hungarian subjects, headquarters is prepared to send an officer either from here or the Austrian station to Paris to render the necessary assistance. The aim of such detailed conversations should be the following:

a. Complete exchange of operational information on the MHBK as outlined above.

b. A broadening of the discussion to cover Hungarian operations in general and a survey of French and U.S. operational facilities in their respective occupation zones in Austria for this purpose.

c. The formulation of suggestions to our respective headquarters for a permanent liaison arrangement between French and U.S. officers in Austria charged with operations into Hungary. Exploration of methods by which such a liaison arrangement could result in operational cooperation between Innsbruck and Salzburg.

12. To implement the above, our representative will be prepared to accompany the [] representative on a trip to Innsbruck and Salzburg.

13. Your comments and continued reporting on this matter will be appreciated.

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